

REMARKS

In the Final Office Action dated November 17, 2006, claims 23-38 are pending. Claims 34 and 38 stand rejected under 35 U.S.C. 112, first paragraph, as containing new subject matter. Claims 25-26, 33, and 38 stand rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter. Claims 23-24, 31-34, and 37 stand rejected under 35 U.S.C. 102(b) as being anticipated by U.S. Patent No. 5,842,148 ("Prendergast"). Claims 25-30, 35-36 stand rejected under 35 U.S.C. 103(a) as being unpatentable over Prendergast and further in view of U.S. Patent No. 5,950,150 ("Lloyd"). Applicants amend claims 23, 25, 26, 32-34, 36, and 38 and traverse the rejections. No new matter is added.

The Claims Satisfy the Requirements of 35 U.S.C. § 112

Claims 34 and 38 stand rejected under 35 U.S.C. § 112 for containing new matter. Without conceding the merits of the rejection, to move prosecution forward, Applicants amend claims 34 and 38. As amended, claim 38 recites "initiating a remedial action in response to [a] detected dangerous condition." This subject matter is supported at least at paragraph [0028] of the specification, which states, in relevant part,

"The invention also encompasses positive prevention attributes of technologies, as well as simple monitoring, such that a specific technology may not only provide an alert of a dangerous condition, but also take immediate remedial actions to militate such condition with both the alert and remedial action being subject to real-time polling, such polling being active inputs into the input layer of the neural net."

Claim 38, as amended, recites "receiving, by the insurance company, the data output by the incorporated technology," thereby obviating the rejection.

Claims 25, 26, 33, and 38 are rejected under 35 U.S.C. § 112 for various claims terms lacking antecedent basis. The above amendments obviate these rejections.

Independent Claims 23 and 32 Patentably Distinguish Over Prendergast

Independent claims 23 and 32 stand rejected under 35 U.S.C. § 102 over Prendergast. To reject a claim based on § 102, the reference on which the rejection is based must describe each and

every element of the claim. In this case, Prendergast fails to describe each and every element of either amended claim 23 or amended claim 32.

More particularly, amended claim 23 relates to a method of insuring a building structure based on technologies incorporated into the building structure that militate against loss. More specifically, the claim recites "altering terms of the issued insurance policy based on data output electronically by the incorporated technology" (see, for example and without limitation, paragraphs [0028] and [0055] of the specification). Prendergast, however, fails to describe this subject matter.

The action asserts that Prendergast describes this subject matter at Column 6, lines 58 to Column 7, line 2. This passage describes how an insurance premium can be derived for a building based on the probability of damage resulting from the expected stresses the building will endure. The passage makes no reference to data electronically output from technology incorporated into the building. This, however, is the explicit subject matter of amended claim 23.

Applicants have carefully reviewed the remainder of Prendergast and have failed to identify any data used in making the probability determination that is electronically output from technology incorporated into the building, as recited in the claim. Prendergast describes the estimate being derived from an inspection of the building site, building code data, empirical damage historical data for the structure, geological survey data, and geologic/seismic databases. Data collected from the inspection is described as including: "data relating to the structure's frame, openings, supporting walls, foundation, cripple wall, roof and 'soft' stories." None of this information is described as being electronically output from technology incorporated into a building.

As Prendergast fails to teach or suggest altering the terms of an issued insurance policy covering a building based on data electronically output from technology incorporated into that building, as recited in amended independent claim 23, Applicants request reconsideration and withdrawal of the § 102 rejection of this claim. Claims 24 and 31 depend on claim 23 and add further limitations, thereto. Therefore, applicants request reconsideration and withdrawal of the § 102 rejection of these claims, too.

Amended claim 32 also recites the use of data output electronically by technology incorporated into an insured building structure. More particularly, claim 32 recites using such data

to determine the condition of the insured building. As set forth above, Prendergast fails to describe the use of any data electronically output from technology incorporated into an insured building structure. Thus, Applicants request reconsideration and withdrawal of the § 102 rejection of claim 32. Claims 33, 34 and 37 depend on claim 32 and add further limitations thereto. Thus, Applicants request reconsideration and withdrawal of the § 102 rejections of these claims, too.

Lloyd Fails to Cure the Deficiencies of Prendergast

Claims 25–30, 35, and 36 stand rejected under 35 U.S.C. § 103 over Prendergast in view of Lloyd. Claims 25–30 depend on amended independent claim 23, and claims 35 and 36 depend on amended independent claim 32. As Lloyd fails to cure the deficiencies of Prendergast in relation to these independent claims, as set forth below, Applicants request reconsideration and withdrawal of the § 103 rejections.

With respect to amended independent claim 23, Lloyd, like Prendergast, fails to describe the alteration of terms of an issued insurance policy based on data electronically output from technology incorporated in a building. Lloyd describes a system in which fire and life safety systems incorporated into buildings are monitored by sensors to determine their operability. Lloyd also describes that reports generated from the results of the monitoring may be forwarded to insurers. Lloyd fails, though, to describe, teach, or suggest that the insurers alter the terms of an issued insurance policy based on the information, as recited in the claim. Thus, Lloyd fails to cure the deficiencies in Prendergast relative to amended independent claim 23. Since claims 25–30 depend on claim 23, and add further limitations thereto, Applicants request reconsideration and withdrawal of the § 103 rejections of these claims.

In addition, amended claim 26 further distinguishes over the combination of Prendergast and Lloyd. Amended claim 26 recites receiving data output electronically by the technology incorporated into the building, including data that indicates the condition of the building. As conceded in the Office Action at page 8, Prendergast fails to describe this subject matter. Lloyd also fails to teach or suggest this subject matter. The Action asserts Lloyd describes this subject matter at column 8 line 60 through column 9, line 11. Applicants disagree. This passage merely describes the receipt of data indicating the operability of fire and life safety system equipment

within a building. It does not describe receiving data about the condition of the building, itself, as recited in the claim. For this additional reason, Applicants request reconsideration and withdrawal of the § 103 rejection of claim 26.

In relation to claims 35 and 36, as set forth above, Prendergast fails to determine the condition of a building based on data electronically output from technology incorporated in a building. This, however, is the explicit subject matter of claim 32, from which claims 35 and 36 depend. Lloyd fails to cure this deficiency in Prendergast. More particularly, Lloyd merely describes reporting on the operability of life and fire safety equipment within the building. Lloyd fails to describe determining the condition of the building, itself, as explicitly recited in claim 32. Since claims 35 and 36 depend from claim 32 and add further limitations thereto, Applicants request reconsideration and withdrawal of the § 103 rejections of claims 35 and 36.

Moreover, one skilled in the art would not be motivated to combine Lloyd and Prendergast. Prendergast describes a highly manual process in which inspectors manually inspect a building structure to be insured looking for information about the building's construction and structural features. In contrast, Lloyd describes an on-going monitoring process. In addition, Prendergast is particularly concerned with insurance losses caused by earthquake and wind damage. Lloyd, on the other hand, is concerned with a very different set of risks, i.e., the risks that fire and life safety systems in buildings may not be properly maintained and tested. For these additional reasons, Applicants request reconsideration and withdrawal of the § 103 rejections.

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After Final Office Action of November 17, 2006

Docket No.: HSDO-P01-003

In view of the above amendment, Applicants believe the pending application is in condition for allowance.

Applicants believe no fee is due with this response. However, if a fee is due, please charge our Deposit Account No. 18-1945, under Order No. HSDO-P01-003 from which the undersigned is authorized to draw.

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Respectfully submitted,

By 

Edward A. Gordon, Esq.

Registration No.: 54,130

FISH & NEAVE IP GROUP, ROPES & GRAY
LLP

One International Place
Boston, Massachusetts 02110-2624
(617) 951-7000
(617) 951-7050 (Fax)
Attorneys/Agents For Applicant